Task force for UCBs in Uttaranchal

2636. SHRI KAMAL AKHTAR: Will the Minister of FINANCE be pleased to state:

(a) the details of the MoU signed by RBI with Uttaranchal Government to regulate Urban Co-operative Banks;

(b) whether the RBI has set up Task Force for UCBs (TAFCUBs) in Uttaranchal, if so, the details thereof;

(c)whether the financially viable UCBs have been identified in Uttaranchal as per the MoU, if so, the details thereof;

(d) whether RBI would consider eligible UCBs in the State for grant of Scheduled banks status;

(e) if so, the details of such banks and if not, reasons therefor; and

(f) whether any applications are pending with RBI, if so, by when the same would be accorded sanctions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Memorandum of Understanding (MoU) was signed on June 7,2006 between RBI and the State Government of Uttaranchal. The MoU provides for RBI to constitute a State level Task Force for Urban Co-operative Banks (TAFCUB), comprising the Regional Director of the Bank, Registrar of Cooperative Societies (RCS) of the State, Representative of RBI, the State Government and a representative each from the State and National Federation of UCBs for identification and drawing up of a time bound action plan for the revival of potentially viable UCBs and non disruptive exit for non-viable UCBs. As per the MoU, RBI would also facilitate human resources development and IT initiatives in UCBs. Further, the State Government of Uttaranchal would introduce long form audit report for statutory audit, modify audit rating models in alignment with the gradation system adopted by RBI and others.

Consequent upon signing the MoU, a State Level Task Force on UCB (TAFCUB) was constituted.

(c) Presently, banks are classified into four grades, *viz.,* Grade I, II, III and IV on the basis of certain broad prudential indicators. In the first meeting of the TAFCUB held on July 31,2006 it was informed to TAFCUB based on data available with RBI that out of the seven banks in Uttaranchal, three

were in Grade-I indicating satisfactory financial condition, two were in Grade-Ill and the remaining two were in Grade-IV signifying weakness and sickness respectively.

(d) and (e) In July, 2004, it was decided not to consider any application from UCBs for inclusion in the second schedule of the Reserve Bank of India Act, 1934 till a proper legislative framework is brought about and the banks were advised accordingly.

(f) No application is pending with RBI. However, The Almora Urban Co-operative Bank Ltd., Almora, *vide* its letter dated July 6, 2006, has represented to schedule it in reconsideration of the earlier decision. It has been decided to continue with the extant policy for the time being.

Insurance cover to fishermen

2637. SHRIMATI JAYA BACHCHAN: Will the Minister of FINANCE be pleased to state:

(a) what is the present status of coverage of population of the country under the insurance scheme;

(b) whether fishermen living in various parts of the country are covered under the scheme, if not, the reasons therefor; and

(c) by when the insurance cover is likely to be extended to them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Life Insurance Corporation of India (LIC) has reported that as on 31.03.2006 there were 2192.65 lakhs life insurance policies, in force.

(b) and (c) LIC has reported that fishermen are one of the approved vocational/occupational groups under its Janashree Bima Yojana as well as the old Social Security Group Insurance Scheme. As on 31.03.2006, it had insured 39,841 fishermen in the country.

Revamping of weaker public sector banks

2638. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is proposed to drop plans to set up authority for revamping of weak Public Sector Banks;

(b) if so, the reasons therefor; and

(c) what steps are being taken to revamp weak Public Sector Banks?